PREPARED BY: DATE PREPARED: PHONE: Sandy Sostad February 02, 2017 471-0054

LB 263

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 201	17-18	FY 2018-19					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS								
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS								

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 263 requires the Department of Motor Vehicles (DMV) to implement an electronic dealer services system. Dealers may voluntarily participate in the system and provide titling and registration services. Dealers will be authorized to collect title and registration fees, sales taxes and motor vehicle taxes. DMV may adopt rules and regulations governing the dealer services system. The system is to be implemented on a date determined by the director of DMV, but not later than January 1, 2021. The act is operative on January 1, 2019.

Expenditures: DMV will incur expenses to implement the electronic dealer services system. The department is in the process of a modernization project to replace its Vehicle Title Registration System. The Legislature provided cash funds beginning in FY2014-15 for the project. The department has a biennial budget request of \$14,598,490 of cash funds for FY18 and \$10,134,987 for FY19 to continue implementation of the project. The base system is scheduled to be implemented and operational in September of 2019. An electronic dealer services system is a component of the modernization project, so a portion of the total project cost will be devoted to the new electronic system. If the biennial budget request of the department is funded, then LB 263 will have no additional fiscal impact.

The Department of Correctional Services indicates the provisions of the bill relative to distribution of license plates will have no fiscal impact for the agency in the next biennium. The Department of Revenue assumes the electronic dealer licensing system will not have a fiscal impact for the agency as long as paper filings of motor vehicle taxes are allowed. DMV indicates that will not change with the new dealer services system.

<u>Revenues</u>: LB 263 does not change any fees or taxes pertaining to licensing or registering motor vehicles. So, dealers will collect the same amount of motor vehicle taxes and fees and will remit the fees or taxes to the state and counties as is required by current law.

The bill changes the required time period for county treasurers to remit fees and taxes to the state. Currently, title fees are required to be remitted to the state by the 15th day of the month and vehicle fees and registration fees are required to be remitted by the 25th day of each month. The required remittance date is synchronized to be the 20th day of each month. The change may have a slight unknown fiscal impact for counties or the state in terms of interest earned on funds.

The bill provides for a new \$1.50 fee if an individual opts to change the address on a registration certificate prior to annual renewal. It is assumed there will be little new revenue pursuant to the option.

MINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 263	AM:	AGENCY/POLT. SUB: Nebraska	Department of Correctional Services				
REVIEWED	REVIEWED BY: Lee Will DATE: 01/25/2017 PHONE: (402) 471-4175						
COMMENTS: Concur with the Nebraska Department of Correctional Services' assessment of no fiscal impact.							

ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 263	AM:	AGENCY/POLT. SUB: Net	oraska Department of Revenue			
REVIEWED	REVIEWED BY: Lee Will DATE: 02/03/2017 PHONE: (402) 471-4175					
COMMENTS: Concur with the Nebraska Department of Revenue's assessment of no fiscal impact.						

ADMIN	STRATIVE SERVI	CES STATE BUDGET DIVISION: REVIEW OF AGENC	Y & POLT. SUB. RESPONSES			
LB: 263	AM:	AGENCY/POLT. SUB: Douglas (County			
REVIEWED BY: Lee Will DATE: 01/19/2017 PHONE: (402) 471-4175						
COMMENTS: Concur with the Douglas County's statement of no fiscal impact.						

LB ⁽¹⁾ 263			FISCAL NOTE
State Agency OR Political Subdivision N	Motor Vehicles		
Prepared by: (3) Bart Moore	Date Prepared: (4)Ja	nuary 18, 2017 Phone: (5)	(402)471-3902
ESTIMATE	PROVIDED BY STATE AGENCY O	OR POLITICAL SUBDIVISI	ON
	FY 2017-18	FY 2018	8-19
EXPEND		<u>EXPENDITURES</u>	REVENUE
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS			
TOTAL FUNDS (0	0	0
Explanation of Estimate:			
	ct. No additional fiscal impact is a EAKDOWN BY MAJOR OBJECTS O		
Personal Services:			
POSITION TITLE	NUMBER OF POSITIONS <u>17-18</u> <u>18-19</u>	2017-18 <u>EXPENDITURES</u>	2018-19 EXPENDITURES
		-	1
Benefits			
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			
TOTAL		0	0

LB 263 Fiscal Note 2017

		State Agen	cy Estimate			_
State Agency Name: Department	of Revenue				Date Due LFA:	2/3/2017
Approved by: Tony Fulton		Date Prepare	ed:		Phone: 471-5896	
	FY 2017	-2018	FY 2018	<u>-2019</u>	FY 2019-2020	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	See below	\$ 0	See below	\$ 0	See below	\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	See below	\$ 0	See below	\$ 0	See below	\$ 0

LB 263 updates the Department of Motor Vehicles (DMV) electronic vehicle title and registration (VTR) system and allows motor vehicle, ATV, and UTV dealers to offer one-stop VTR at the location of the dealer.

This bill amends many sections, but mostly the changes accommodate an electronic title or registration that is issued by an approved licensed dealer participating in the electronic dealer services system created by section 36 of the bill. Changes allow a title to be issued in any county in the state instead of only the county where the vehicle has situs. If the electronic VTR system is used, the title and registration will be delivered.

Section 36 allows the DMV to approve a licensed dealer to participate in an electronic dealer services system. If the dealer chooses to participate, the dealer may collect from a customer that also agrees to participate, all registration fees, notation of lien fees, motor vehicle taxes and fees, title fees, and sales taxes. The DMV is to make the electronic VTR system available to these approved dealers in the manner chosen by the director. The Director may also remove anyone from the approved list for failure to remit any taxes or fees through the system. The approved dealer is not to disclose any sensitive or personal information.

The DMV may adopt rules and regulations. The Director will determine the date at which the electronic dealer services system is implemented, but no later than January 1, 2021.

It is estimated that this bill will have no impact on General Fund revenues.

The costs to the Department will be minimal as long as the Department is allowed to continue with paper filings. However, if the Department is required to provide for an entirely paperless filing system the costs for an electronic system will be significant.

The operative date for this bill is January 1, 2019.

Major Objects of Expenditure								
Class Code	Classification Title	17-18 <u>FTE</u>	18-19 <u>FTE</u>	19-20 <u>FTE</u>	17-18 Expenditures	18-19 Expenditures	19-20 Expenditures	
Benefits								
Travel								
Capital Outlay								
A * 1								
Total								

LB ⁽¹⁾ 263				FISCAL NOTE		
State Agency OR F	Political Subdivision Name: (2)	DOUGLAS COUNTY, NEBRASKA				
Prepared by: (3)	C/O MARCOS SAN MARTIN, DOUGLAS CO ADMINISTRATION	Date Prepared: (4)	1/18/17 Pho	one: (5) 402-444-5116		
	ESTIMATE PROVI	DED BY STATE AGEN	CY OR POLITICAL SUBD	IVISION		
	<u>FY</u> EXPENDITURES	<u> 2017-18</u> <u> </u>	<u>FY</u> EXPENDITURES	<u>Z 2018-19</u> <u>REVENUE</u>		
GENERAL FUN	DS					
CASH FUNDS						
FEDERAL FUNI	DS	-				
OTHER FUNDS		_				
TOTAL FUNDS	-					
			= =====================================			
Explanation of E	stimate:					
NEGLIGIBLE C	OR NO FISCAL IMPACT			<u> </u>		
Personal Services		WN BY MAJOR OBJECT	IS OF EXPENDITURE			
		NUMBER OF POSITION 17-18 18-19	S 2017-18 EXPENDITURES	2018-19 EXPENDITURES		
Ranafits			-			
•						
Capital outlay						
-						
Capital improven	nents					
TOTAL						

TOTAL.....

LB ⁽¹⁾	263							FISCAL NOTE	
State Agency OR Political Subdivision Name: (2)			Nebrasi	Nebraska Department of Correctional Services					
Prepared by: (3) Sara Sump			Date F	Prepared: (4)	1/17/17	Phone: (5	402.479.5702		
		E	STIMATE PROVI	DED BY ST.	ATE AGENO	Y OR POLITIC	CAL SUBDIVIS	ION	
			EXPENDITURES	<u>2017-18</u> <u>S R</u>	EVENUE	EXPENI	<u>FY 201</u> <u>DITURES</u>	REVENUE	
GENE	RAL FUNI	DS	0		0		0	0	
CASH	FUNDS								
FEDEF	RAL FUNI	os						·	
OTHE	R FUNDS					·			
TOTA	L FUNDS		0		0	·	0	0	
Explan	ation of Es	stimate:							
Depart 1, 201	tment of N 9 and in of ter the er	Motor V discuss	ehicles through a dions with DMV, th	secure pro le legislatio	ocess and sond sond sond sond sond sond sond so	ystem." The c ange the distr	perative date ibution proces	ear as directed by the of the bill is January is for license plates partment in FY 17-18	
Danson	al Services		BREAKDO	WN BY MAJ	OR OBJECT	S OF EXPEND	<u>ITURE</u>		
rerson		iON TI		UMBER OF 17-18	POSITIONS 18-19		17-18 DITURES	2018-19 EXPENDITURES	
Benefit	s		 -						
Travel									
Capital	outlay								
Aid									
Capital	improven	nents							

0

0